

# Cross Hollow

## Real Estate Committee

- Reviewed project at two meetings (May, July 2018)

## Board

- Approved negotiating a transaction (Aug 2018)

## Request

- Approve proposed business terms for  
Development Lease



# Development Projects

# North Interchange

## Port 15

# Canyon Ridge

# X Temple

# Cross Hollow

**1,450± acres**

**X Walmart & Home Depot**

# Cordero



# Cross Hollow Beneficiaries

1,450 ± acres

MH (98%) + SCH (2%)

SM

SM

MULT

Hills  
Recreation  
Complex

**Miners  
Hospital  
1%  
(10 acres)**

**Schools  
22%**

**(317 acres)**

SCH

SCH

SCH

SCH

SM

SM

**School of Mines**

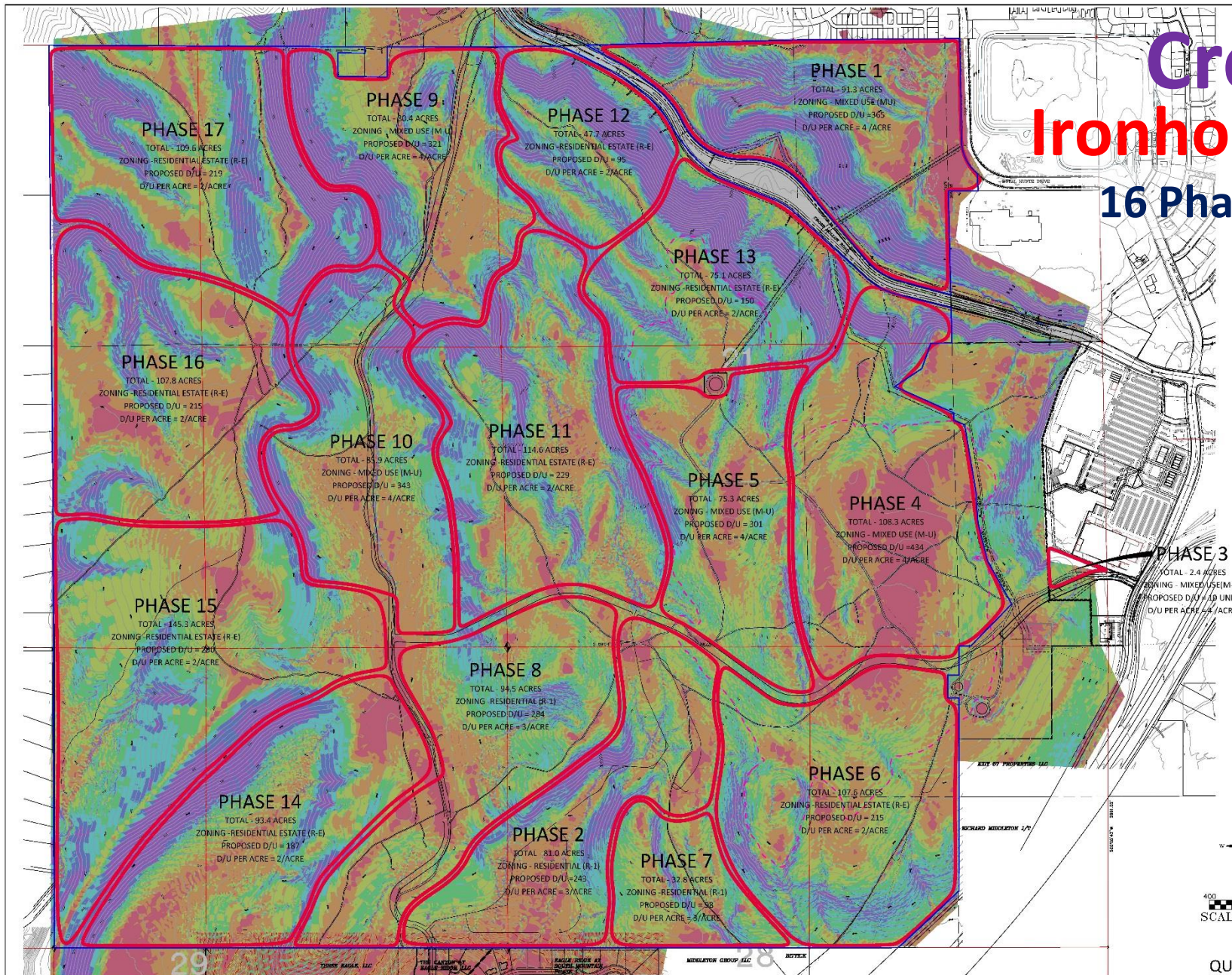
**77%**

**(1,448 acres)**



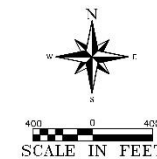
# Cross Hollow Ironhorse Communities

16 Phases on SITLA property



SLOPES TABLE			
NUMBER	MINIMUM SLOPE	MAXIMUM SLOPE	COLOR
1	0.00%	5.00%	Red
2	5.00%	10.00%	Orange
3	10.00%	15.00%	Yellow
4	15.00%	20.00%	Green
5	20.00%	25.00%	Blue
6	25.00%	30.00%	Purple
7	30.00%	AND UP	Dark Purple

DEVELOPMENT TABLE				
PHASE	PROPOSED ZONING	AREA (ACRES)	DEVELOPMENT UNITS	DENSITY (DU/ACRE)
1	M-U	91.3	365	4
2	R-1	81.0	243	3
3	M-U	2.4	10	4
4	M-U	108.3	434	4
5	M-U	114.6	301	4
6	R-E	107.6	215	2
7	R-1	32.8	98	3
8	R-1	94.5	284	3
9	M-U	80.4	321	4
10	M-U	83.9	343	4
11	R-E	114.6	229	2
12	R-E	47.7	95	2
13	R-E	75.1	150	2
14	R-E	93.4	187	2
15	R-E	145.3	290	2
16	R-E	107.8	215	2
17	R-E	109.6	219	2
TOTALS		1492.3	3999	2.7



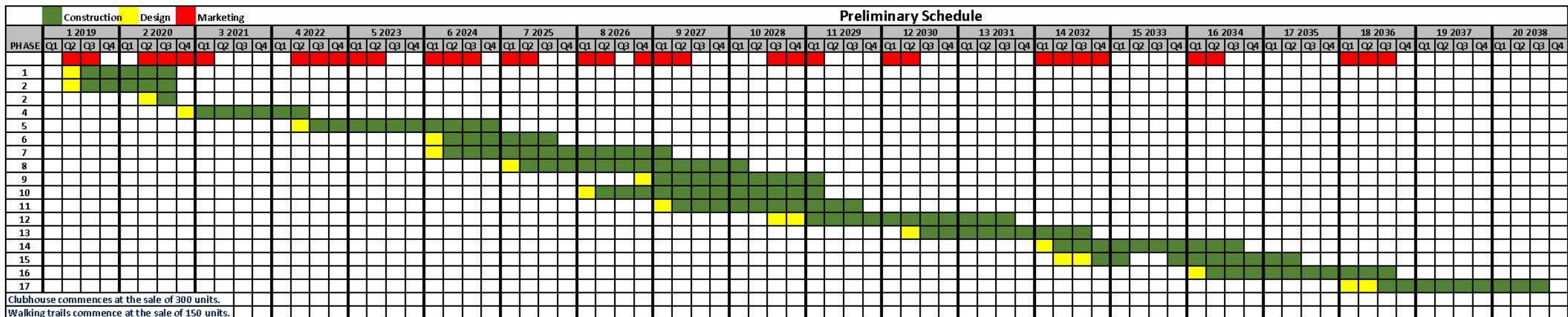
PROPOSED PHASING PLAN FOR SITLA PROPERTY  
LOCATED IN SECTION 29, T36S, R11W, SLB&M

QUANTUM CONSTRUCTION & DEVELOPMENT  
216 SOUTH 200 WEST CEDAR CITY, UTAH



- **16 Phases + Milestones**
- **2019 – 2043 (25 years)**
- **4,000 units**
  - **Mix of Single Family, Town Home and minor Commercial**

Preliminary Development Plan					
PHASE	SIZE (acres)	RESIDENTIAL UNITS	DENSITY (units/acre)	TIMING (years)	ZONING
1	91.3	365	4	2019 - 2020	Mixed Use
2	81.0	243	3	2019 - 2020	R-1
2	tbd			2020	2nd road
3	n/a	n/a	n/a	2020 - 2021	Mixed Use
4	108.3	434	4	2020 - 2022	Mixed Use
5	75.3	301	4	2022-2024	Mixed Use
6	107.6	215	2	2024-2025	R-Estate
7	32.8	98	3	2024-2027	R-1
8	94.5	284	3	2025-2028	R-1
9	80.4	321	4	2026-2029	Mixed Use
10	85.9	343	4	2026-2029	Mixed Use
11	114.6	229	2	2027-2029	R-Estate
12	47.7	95	2	2028-2031	R-Estate
13	75.1	150	2	2030-2032	R-Estate
14	93.4	187	2	2032-2034	R-Estate
15	145.3	290	2	2034-2036	R-Estate
16	107.8	215	2	2035-2037	R-Estate
17	109.6	219	2	2036-2038	R-Estate
Total	1,450.6	3,989	2.75	2019 - 2038	



# Cross Hollow

## Deal Structure Terms

- **Period: 15 years + 10 year option**
- **Performance milestones**
- **Developer**
  - **Leavitt Land and Investment (80%) – guarantor**
  - **Tom Pugh (20%)**
- **Non-compete**
  - **Developer: Road completed to Phase 5**
  - **SITLA: 3 years on competing product at North Interchange**
- **Assignment – *only* with SITLA's consent**

# Cross Hollow

## Deal Structure Terms

- **% of gross revenue to SITLA**

YEAR	SF Improved Lots (per lot)			Developer-built SF Homes (per unit)			TH (per door-unit)		
SITLA %	25%	27.5%	30%	8%	9%	10%	8%	9%	10%
Phase 1 SF	Yrs 1-2	Yrs 3-5	Yrs 6+	Yrs 1-2	Yrs 3-5	Yrs 6+			
Phase 1 TH							Yrs 1-2	Yrs 3-5	Yrs 6+
Phase 2 SF	Yrs 1-4	Yrs 5-8	Yrs 9+	Yrs 1-4		Yrs 5+			
Phase 4	Ph 4 yrs 1-4	Ph 4 yrs 5-8	Ph 4 yrs 9+	Ph 4 yrs 1-4		Ph 4 yrs 5+			
Phases 5-17			All			All			All

- **50% of Commercial, Institutional lands**
- **Open space: \$1,000/ac (Ph 1-2), \$1,250/ac (Ph 4-17)**
- **Minimum prices (base appraisal + 3%/yr)**

# Cross Hollow

## SITLA Economics - *Conservative*

- \$18 million (NPV-7.5%)
- \$35 million (Gross Value)
- Key assumptions
  - 2,000 units: 1/3 TH, 2/3 SF lots
  - Developer constructs 267 SF homes
  - Sales prices
    - \$55,000/SF lot
    - \$350,000/SF home
    - \$140,000/TH unit
  - 22 years



# Cross Hollow

Looking north from top of Cross Hollow property

## Requested Motion:

Approve finalization of the Cross Hollow development lease under the terms presented today, contingent upon the Director approving the final lease document.